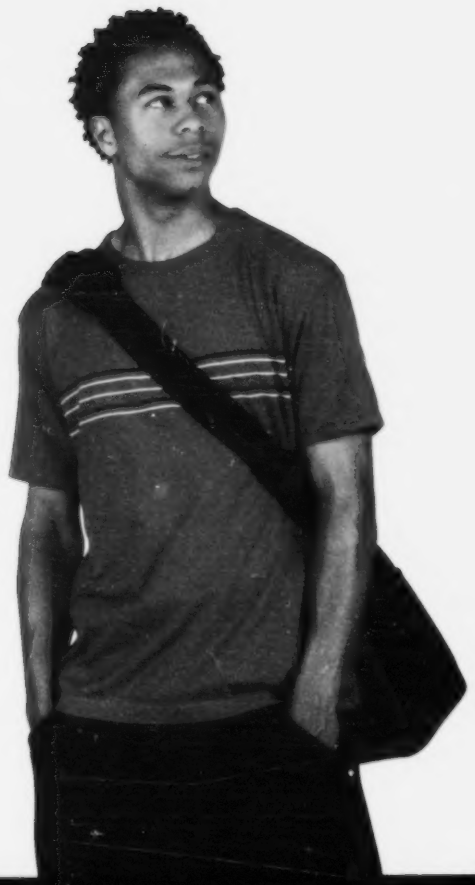
Postsecondary *Review*

Higher Expectations for Higher Education

A Discussion Paper



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Une publication équivalente est disponible en français sous le titre suivant : *Des attentes supérieures pour l'enseignement supérieur : Un document de discussion.*

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INTRODUCTION

Message from Bob Rae

My mandate is to give Premier McGuinty and Minister Chambers advice by January 2005 about the design and funding of Ontario's postsecondary education system. This means there is no time to waste.

I am looking forward to hearing from the many people who are keenly interested in the future of higher education. What follows is intended to encourage discussion. Please share your own research and views – this is an essential part of making reasoned recommendations.

Let me admit my bias: I think education is the bedrock of modern society. I also think our system of higher education in Ontario is in serious jeopardy. It is in jeopardy because we are on the edge of major change and the level of both public and private support is insufficient to keep Ontario as strong, competitive and socially advanced as we want to be. Focus on other priorities – controlling the deficit, cutting taxes, funding other services (particularly health care) – has meant that we have paid too little attention to the future of higher education. As a result, transfers to universities and colleges have fallen behind – compared to their needs, compared to the past, compared to other places in Canada and abroad.

The evidence of these problems is not immediately apparent to everyone. New money for new buildings obscures the fact that older facilities have been allowed to deteriorate. Insufficient places for graduate students or key skilled apprentices don't jar the public like hospital waiting lists or homelessness, but they are critical signs because they mean we are not the place of opportunity and excellence we should be.

Ontario has been a leader in higher education: it is no contradiction to say we are strong, but in trouble. There are many strengths to our system: we have inspired and inspiring teachers; vast and varied options for educational opportunity from doctorates in philosophy to certificates in carpentry; a vibrant and vital student body; committed alumni and a tradition of philanthropy that is crucial to the future. But students, parents, the people who work in colleges and universities, and an increasing number of outside observers, tell us that we're falling behind. We should all start listening to those voices.

Learning is about opportunity. It is about imagination. It is about innovation. It is about aspiring to excellence. It opens up the world to each one of us. It is also crucial to the evolution of civil society. It is how we come to understand our obligations to one another — how we build a sense of justice. It is about how we see, how we feel, and how we understand the world within us and around us.

It is also the means through which our democracy functions: an educated public holding our elected officials accountable.

Learning is also at the centre of our economy. Abounding technological change has brought a world of information to our doorsteps – it is education that gives us the tools to discern what is of value and what is not. From a child's first word to a woman's brilliant industrial design to a young man's ground-breaking cancer research, learning takes us where we have never been before – it is **the** method of human improvement. Education is also the key to success in Canadian society – it is a tried and true means to opening the doors of opportunity.

Higher education is, therefore, at once a social good, a personal opportunity and an economic investment. We have an obligation to make sure it is genuinely accessible to ever-growing numbers. We have an equal obligation to make sure our colleges and universities can achieve excellence. When I went to university, I was part of a group of less than one in ten. We now have close to 42% of people between 20 and 24 years of age in university or college. As we go forward, that number will grow even more. Ontario will need to be ready for this expansion of enrolment. We shall need to ensure that their education will be truly great, that it will challenge and stimulate. We shall need to train more researchers, more faculty and instructors to be on the cutting edge of innovation. Our current funding models don't allow this to happen.

We, the public, know very little about what makes a learning institution good – and what signs indicate it is substandard. We need to know – for the sake of those who attend, for those who are paying with their tax dollars, and for the future health of our society. Students from northern Ontario, from Francophone communities, from Aboriginal communities, as well as persons with disabilities, have less access to higher education than they should – we need to fix that. Nor should we neglect the needs of middle-income students. Students' progress should never be impeded by a lack of funding – we need to figure out a structure that works for them. None of these issues exist in a vacuum – we must consider them together.

Governments around the world are increasingly focusing on education. They know it is critical to the success of society. We must do the same. We must be relentless in comparing outcomes so that we know we are doing the best possible job. There is no room for complacency. A recent report from the OECD on higher education is called "On the Edge". That is how I see our system – on the edge of decision – on the edge of the choice between steady decline and great improvement. It is clear that if we are to make the choice for improvement it will require more resources as well as a will to change. Experience has taught me that these choices are not easy, but to me, for our education and our province, decline is not an acceptable option.

While I have not reached any conclusions, the evidence clearly points to the following:

- The financial gridlock for institutions cannot continue. We should be able to find a more productive formula based on the strong traditions of public transfers, donor generosity and reasonable tuition fees.
- There needs to be a much greater capacity for collaboration between institutions – and much clearer pathways for students. This coordination should probably not be carried out directly by the Ministry of Training, Colleges and Universities, but by a new agency that would bring colleges, universities and their stakeholders together.
- Public support for higher education is skewed by a tax system whose benefits go mainly to those with higher incomes. We need to be more creative to ensure that more financial help goes to people who need it most.
- The system of student assistance is too complicated and provides too little support to lower and middle-income students. Student aid is badly broken.
- We need to do a better job of providing students with a broader international perspective. We can do this both by offering Ontario students more opportunities to study abroad and by attracting international students.
- "Equity" and "excellence" are not polar opposites. Northern colleges and universities have special needs. So do universities with a strong base in research. We need to address the need for more graduate education and assured funding for research as well as the concerns of many communities who currently feel they are on the margins. Funding formulas will need to be adjusted. One size will not fit all, and each institution needs to have the autonomy to chart its course in the context of a coordinated and well-governed system.

I spent the summer reading a lot, and talking informally to students, faculty, instructors, researchers, administrators and government officials. The outstanding panel appointed by the government has had a number of meetings, and our team looked at the state of higher education throughout the world. Now we're on the road meeting with people across the province. Please take the time to share your views with the Postsecondary Review.

I look forward to hearing from you.

Bob Rae
Advisor to the Premier and Minister

Advisory Panel:

Leslie Church	Hon. William Davis	Dr. Inez Elliston	Huguette Labelle
Ian Davidson	Don Drummond	Richard Johnston	

Acknowledgement

This Discussion Paper is based on research and analysis undertaken by the Postsecondary Review Secretariat, preliminary consultations with representatives of institutions, students, staff and faculty, and meetings with other experts in the field, here and abroad. Of special note is the contribution made by the Advisory Panel in sorting through the issues and initial findings, and building a comprehensive set of proposals for consideration.

Note: Views in this Discussion Paper do not necessarily reflect the views of the Government of Ontario.

The Postsecondary Review Mandate

In the Ontario Budget 2004, the government said that in order to build a high-skill, high-wage economy, Ontario requires higher learning that is second to none. To assist in reaching that goal, the Postsecondary Review was announced to review the design and funding of higher education in Ontario. The Review has been asked to help the government develop strategies for higher educational achievement.

With the support of a seven-member Advisory Panel, Bob Rae was appointed Advisor to the Premier and the Minister of Training, Colleges and Universities and given the task of developing a strategic, fiscally sustainable long-term plan for postsecondary education that will include **recommendations** on:

- The **design** of a publicly-funded postsecondary system offering services in both official languages that promotes:
  - Recognized excellence in curricular activities to build the skilled workforce and promising scholars of the future.
  - An integrated and articulated system that meets the diverse learning needs of Ontarians through the most cost-effective design.
- **Funding** model(s) that:
  - Link provincial funding to government objectives for postsecondary education, including the objectives of better workers for better jobs in an innovative economy and an accessible, affordable and quality system.
  - Establish an appropriate sharing of the costs of postsecondary education among the government, students and the private sector.
  - Identifies an effective student assistance program that promotes increased access to postsecondary education.
- An **accountability and performance measurement** framework that supports the design and funding recommendations. The focus of the framework will be on the outcomes of the system.

Secondary recommendations were also requested on:

- The role for **international students** in enhancing Ontario's postsecondary education.
- The role for **marketing** Ontario's postsecondary education **internationally**.

At the same time, a number of related topics are also being studied by the Ontario government. These include: The Private Career Colleges Review, The Adult Education Review, Health Human Resources Strategy (to ensure we have enough health professionals), and the Commercialization and Research Agenda (consulting with researchers in Ontario).

Introduction

The Postsecondary Review is taking place in three stages:

1. Examine past studies and reports on higher education and research best practices in Ontario, in Canada and in the rest of the world. Publish a Discussion Paper on the results of that research and present possibilities for consideration.
2. Listen to Ontarians through consultations with the public, students, educators, business leaders and a wide range of experts.
3. Make recommendations to government in a final report in January 2005.

The objective is clear: to provide evidence-based recommendations that are realistic, will make a real difference in both the short and long term and can begin with the 2005 Ontario Budget.

THIS DISCUSSION PAPER

The paper is divided into two sections: Research and Response.

The Research section of this paper includes an overview of the system in Ontario, the importance of higher education over all, and key trends affecting higher education world-wide. This is followed by a brief review of the current state of higher education in Ontario.

The second section, Response, is where there are questions to consider and possibilities to review.

In drafting the Discussion Paper, five key themes in higher education were explored to assess our current system, examine other jurisdictions and review challenges. By no means do these issue areas stand alone. The challenges to the system are interrelated and so too will be the solutions. Briefly, the themes are:

ACCESSIBILITY – Around the world, more and more young people are realizing the benefits of pursuing postsecondary education. However, many individuals face barriers to accessing and completing higher education as well as regional and local challenges. **How can we increase participation and success in higher education?**

QUALITY – Defining, measuring and improving quality is a critical task for all higher education institutions and a legitimate concern of the students and governments who fund them. **How should we improve the quality of higher education?**

SYSTEM DESIGN – If increased access and improved quality are key goals for Ontario, then ensuring the province has the right postsecondary system design and structure is a critical part of the solution. Improved collaboration among institutions must ensure students can move easily along career and learning pathways. **How can we make sure that our institutions constitute a coherent, coordinated *system* to meet Ontario's goals for higher education?**

FUNDING – It costs money to provide a great education and it costs money to be educated. We need to ensure that higher education is affordable for Ontario and for students, and that institutions can thrive. **How do we pay for higher education to ensure opportunity and excellence?**

ACCOUNTABILITY– The growing awareness of the fundamental role that postsecondary institutions play in the economic, social, and cultural development of Ontario, combined with the increased costs of higher education has resulted in an increased profile of accountability and governance in the postsecondary sector. **Do we have the right structures in place to know our system is achieving the results we want?**

Note: *For the purposes of this paper, we use the terms "higher education" and "postsecondary education" interchangeably to describe learning that takes place in Ontario's publicly-assisted colleges and universities.*

RESEARCH

Overview: The Ontario Postsecondary Index

Colleges and Universities

Number of public colleges – including two French-language colleges – in Ontario: **24**

Number of public universities in Ontario: **18**

Estimated number of new college faculty needed by 2006: **7,000**

Estimated number of new university faculty needed by 2010: **11,000**

Students

Number enrolled at public colleges in 2002 (full-time-equivalents): **178,900**

Number enrolled at public universities in 2002 (full-time-equivalents): **283,800**

Percentage growth in full-time college and university enrolment over the last decade: **15**

Average college tuition fee in 2003: **$2,188**

Range of college tuition fees in 2003: **$1,781 to $11,000**

Average university tuition fee for undergraduate programs in 2003: **$4,920**

Range of university tuition fees in 2003: **$3,950 to $18,000**

Percentage of college graduates (2000) who took out some form of student loans during their studies: **49**

Average government student loan debt of students who went to college for two years and finished their program in 2002: **$12,360**

Percentage of university graduates (2000) who took out some form of student loans during their studies: **53**

Average government student loan debt of students who went to university for four years and finished their program in 2002: **$21,500**

Average number of years it takes students to pay back their government loans: **7.5**

The average amount your income will increase over a lifetime if you finish university instead of stopping at high school: **$1,000,000**

Money & Jobs

The Ontario Ministry of Training, Colleges and Universities budget in 2004: **$4.2 billion**

Total revenues, excluding borrowings, to institutions from all sources (2002-2003): **$8.9 billion**

The percentage of job growth over the last decade that required a postsecondary education: **69**

Identified Trends

The goal of the background research for this paper was to review significant and published thinking on the subject of postsecondary education and to present Ontario with the opportunity to consider some of the policy choices available.

Important previous research and reports were considered. As noted in the Resource Room section of the website (**www.raereview.on.ca**) dozens of the leading studies on postsecondary education in Ontario, in Canada and from around the world have been reviewed including similar reviews in Quebec, New Brunswick, Newfoundland and Labrador as well as England, Australia and Ireland.

Over and over again, literature highlighted a number of broad trends that are affecting higher education worldwide. The broad trends can be summarized as:

Growing Demands on Colleges and Universities

- More students are seeking access to higher education than ever before.
- Governments are calling on institutions to meet enrolment growth as knowledge becomes the prime determinant of the wealth of nations.
- The private sector and governments are increasingly relying on postsecondary institutions for more research as well as more highly skilled graduates.
- Governments are seeking greater transparency, efficiency and accountability to justify public funding.

Increasing Competition and Pressures for Change

- More students view themselves as active purchasers of academic services, and are calling for stronger quality assurance standards and "valued" credentials.
- Institutions are faced with more market pressures to differentiate/specialize in order to succeed as competition for students and faculty grows.
- New for-profit and other niche organizations, for example e-learning or open universities, compete very effectively for students in targeted, more lucrative areas of higher education.
- Traditional boundaries are disappearing as transnational education and competition for international students grows.
- Higher education is losing the battle for scarce public funding in the face of competing priorities.
- New information and communication technologies are changing learning approaches and student choice.

These trends have led to changes in the historical relationships among institutions, students, governments and other stakeholders and in the way higher education institutions are funded, regulated, and evaluated.

These changes have challenged institutions and governments to improve access for less advantaged students; ensure quality and integrity of research; adjust mandates and accountabilities to meet student and public needs; and balance changes to tuition with appropriate student assistance.

All of this work has influenced the possibilities presented at the end of this paper. Every possibility, of course, was not included. So, please send us feedback. Tell us what practical and implementable things we should explore.

The last section of this document is also reflected in the separate Workbook (Working Through the Possibilities). The Workbook can be completed in print or online at **www.raereview.on.ca**. The website also contains a Resource Room for a more comprehensive bibliography as well as links to research work that has been published online.

The Importance of Higher Education

Strong and vibrant higher education is essential for the creation of an educated and skilled workforce, which in turn is needed to build and maintain a competitive and prosperous society. From a social perspective, accessible and affordable higher education provides opportunities for all capable and interested members of society to seek knowledge, broaden their capabilities, and develop their own potential. From an economic perspective, higher education institutions provide a fertile environment for the creation of the human and knowledge capital that is essential for sustained economic growth.

PUBLIC BENEFITS OF HIGHER EDUCATION

Higher education provides significant and broad benefits to society at large.

- Universities and colleges equip graduates with the knowledge and skills that better enable them to generate the innovation, technological advancements, productivity increases, and entrepreneurial activities that drive social and economic growth.
- Universities and colleges are the locus of research and development — social, medical, industrial and technological innovation.
- An educated labour force makes a society a very attractive place to do business and to invest.
- People with higher education can positively affect the productivity of those with whom they work and interact.

- It also has a positive impact on charitable giving, volunteer activity and civic participation, social cohesion and tolerance. It is associated with less crime and less reliance on publicly-funded programs.
- Higher wages (for graduates) mean higher tax revenue for government which allows for increased spending on social services and programs.

The public benefits of higher education are, by their nature, difficult to measure. Best estimates of the *social rate of return* to higher education are between 7-10%. While there is debate about the magnitude of social returns, their existence is widely accepted, and has been for a long time. Accordingly, the public through its government has historically funded higher education generously in Canada. But students too, are required to contribute because of the recognition that they personally gain significantly by choosing to pursue higher education.

PRIVATE BENEFITS OF HIGHER EDUCATION

The private benefits to graduates of undertaking higher education are significant both economically and in non-monetary ways.

The economic benefits of obtaining a degree, diploma or trades certificate have been shown to include higher salaries and wages, more rapid career advancement and earnings growth, increased job satisfaction and reduced chances of unemployment. A recent study of labour force data drew attention to the higher earnings accruing to higher education graduates.

Table: Percentage by which earnings of higher education graduates exceed those of high school graduates

Highest level of education attained	Ontario		Canada	
	Men %	Women %	Men %	Women %
Postsecondary certificate or diploma	14.8	16.3	12.5	14.5
Undergraduate university degree	31.7	36.1	33.5	39.2
Postgraduate university degree	41.0	48.9	42.0	52.5

Source: Riddell (2003)

Note: The higher relative earnings for women are largely due to the fact that female high school graduates tend to earn less than male high school graduates. The postgraduate category includes professional programs such as medicine and dentistry.

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Note: The higher relative earnings for women are largely due to the fact that female high school graduates tend to work less than male high school graduates. The postgraduate category includes professional programs such as medicine and dentistry.

Of course to realize these benefits, students must also incur additional costs, in the form of tuition and other student fees, books and materials, and foregone earnings while studying. However, even taking these into account, the *private rates of return* to higher education in Canada are substantial. A large number of studies in the 1990s showed that the post-tax, real private rate of return to university education is between 14-17% for men, and between 15-19% for women. Estimated rates of return to college education were similar, if not higher, since direct costs are lower, and duration of study is shorter. Higher education yields rates of return that compare very favourably to the returns on most other investments. One study pointed out that rates of return on higher education are comparable to those on financial assets with a 30% pre-tax rate of return.

Non-monetary benefits include: improved health and life expectancy; improved quality of life for children; better family planning; increased capacity to make informed, efficient decisions as consumers; increased personal status; increased social mobility; greater job satisfaction; greater job-search efficiency; increased culture and values orientation; more hobbies and leisure activities; and better lifelong learning.

The growing importance of higher education

Our economy has changed most profoundly. Employers want and need an educated workforce. Of the 5.7 million jobs existing in Ontario in 2001, over half were in occupations requiring higher education. This percentage is expected to increase in the years ahead. Students and their families have realized this—participation rates have increased steadily over the decades. In one survey, 87% of parents of Canadian children expressed the hope that their children would pursue higher education.

Assessing the public and private benefits of higher education

Postsecondary education is of obvious benefit both to the individuals who participate in it, and to society in general. It only makes sense that the financial cost is shared. This is something to keep in mind when considering the possibilities presented later in this paper.

ACCESSIBILITY

WHY ACCESSIBILITY?

More and more students want a higher education – and will need one for their careers. Despite strong enrolment growth over the past decade, Ontarians do not enter university programs at the same rate as individuals from other countries. Particular groups of people also face challenges to access. Ontario cannot afford to waste the talents of its citizens.

STUDENT PERSPECTIVE:

I need a simple way of learning about the program I'm interested in, where I can go to get it, and how I can access the support I need to gain admission.

WHERE ARE WE NOW?

Percentage of Youth Enrolled in Higher Education, 20-24 Year Olds, 2002

Finland	Denmark	France	Ontario	Canada	Australia	U.S.	U.K.	Ireland
56.1	55.3	53.2	41.8	39.3	38.7	33.9	31.0	29.0

Source: OECD (2004), Labour Force Survey 2002

Only 25% of Ontario's population has a bachelor's degree compared to Massachusetts at 38%, and New York and California each at about 30%. When compared to the U.S., Ontario graduates half as many people with master's degrees, and about three-quarters as many with doctorate degrees. Some reports have concluded that these low rates place the province at a significant competitive disadvantage because Ontario does not produce enough qualified graduates to keep pace with the need for more university and college faculty, more world-class research, or employer requirements for particular skill sets.

There also remains some inequality in access to higher education in Ontario. Students from low-income families are about half as likely to attend university as those from high-income families. Compared to the general population, only 7% of Aboriginal peoples aged 25-64 reported having a university degree; residents from northern Ontario are only half as likely to attend university; and only 11% of persons with disabilities in Ontario have a university degree. These results persist despite efforts by government, individuals and institutions to overcome barriers to access for underrepresented groups.

Shifting skill requirements have increased the demand for lifelong learning, including opportunities for flexible part-time learning as individuals attempt to upgrade their marketable skills or change career paths while juggling work and family responsibilities.

The evidence suggests that working adults are experiencing real difficulty in getting recognition for previous learning and the training they need. One in four adults want or need training but did not take it, with money and time reported as the major barriers to access. Similarly Ontario receives over 100,000 immigrants each year, many with professional and trade qualifications, yet 54% of the initial jobs held by new immigrants are not related to their previous professions.

WORLD VIEW

In England the government wants 50% of young people to enter higher education by 2010, and Sweden has set a target of 50% participation by age 25. The government of Michigan recently announced a Commission charged to find ways to double the percentage of Michigan citizens who attain postsecondary degrees and other credentials.

Other jurisdictions are also considering targets or developing system-wide plans to improve access for underrepresented groups, as it is clear that many jurisdictions around the world continue to struggle with this issue. Sweden has placed a special emphasis on the geographical availability of higher education and on lifelong learning through part-time courses designed to keep pace with students who also work. Ireland has put in place a three-year strategy to increase participation of socio-economically disadvantaged groups in higher education.

The U.S. Education Commission has released a report to assist State governments and postsecondary institutions to expand access to postsecondary education, particularly for socio-economically disadvantaged groups. The U.S. also funds Tribal Colleges on Indian reservations to offer degree programs in arts, science and applied sciences. The colleges also provide academic preparation, vocational training and basic adult education.

CHALLENGES

Retention

Strategies to improve retention need to be implemented. Available national data suggests that about 20% to 25% of first-year students drop out. An additional 20% to 30% drop out in later years, although many students who leave subsequently return to complete their studies at a later date.

Getting information

When considering careers and learning options in Ontario, there is no single place where students, adult learners, and the internationally trained can find good and comprehensive information. Such information could include: where the jobs are now, and where employers say they will be in the future; good descriptions of the jobs including wage rates; course and credential requirements to get the jobs;

where, when and how those courses or programs are offered; the costs of taking the courses or programs and their quality, including the success of individuals who previously took them. Without such information it is difficult for individuals to make wise decisions about the careers and higher education they should pursue.

High school success

Excellent efforts to update curricula, strengthen guidance programs including new connections to colleges, and introduce workplace initiatives such as apprenticeship pathways have not gone far enough in producing the desired results. More needs to be done to ensure that all students in high school have a better understanding of the world of work, and the courses and credentials needed to enter that world. Students leaving high school need to be better prepared to make the best choice possible when deciding whether to go directly into the job market, or to go on to higher education including skills training or apprenticeship.

Underrepresented groups

Despite existing efforts to improve access, some members of underrepresented groups including Aboriginal peoples, people living in northern Ontario, Francophones, persons with disabilities, low income persons and sole-support mothers continue to face barriers to participation and success in higher education. The most common barrier is lack of funding, often coupled with a genuine concern about building up too much debt, but there are additional barriers to participation and success. Aboriginal students experience barriers with respect to distance, a lack of role models and on-campus understanding of culture, tradition and values. Francophone students face distance problems, lack of programs in French, and the expense of translated materials. Persons with disabilities experience negative attitudes and stereotypes, a varying degree of support services and face actual physical access and complicated transportation barriers. Sole-support mothers often have difficulties finding access to suitable and affordable day care.

THINK ABOUT

How can we increase participation and success in higher education?

QUALITY

STUDENT PERSPECTIVE:

I want to know that the program I pick is an excellent one and that I will have access to good professors and instructors who are engaged in the classroom. I want to know that it's going to give me the credentials that employers are looking for.

WHY QUALITY?

Defining, measuring and improving quality is a critical task for all higher education institutions and a legitimate concern of the students and governments who fund them. Here we have focused on quality in student experience, good teaching and strong research.

WHERE ARE WE NOW?

Currently, there are a number of mechanisms that look at how well our higher education system is performing at the institution and system level.

Within universities, there is a range of practices: peer reviews, curricular committees, senate or board reviews of academic programs, centres and projects for the improvement of teaching, faculty evaluation and assessment, and external program accreditation in professional programs. Universities also develop and report on performance indicators to their governing boards. On a system-wide basis, the Undergraduate Program Review Audit Committee audits each university's quality assurance policies for undergraduate programs and the Ontario Council on Graduate Studies evaluates the design of each graduate program. There is generally no public reporting regarding the results of these processes.

Within colleges, there are program advisory committees that are charged with regularly reviewing programs. At the system level, new college programs are subject to the College Credentials Framework and will be reviewed by the Credential Validation Service once it is in place.

The Ontario government has also developed some mechanisms to ensure quality. It established the Postsecondary Education Quality Assessment Board as an arms-length advisory agency to review applications from private institutions that wish to offer degree level programs and from colleges interested in granting applied degrees.

Since 1998 the government has required both colleges and universities to report on Key Performance Indicators (KPIs). Colleges' KPIs include rates of graduation, graduate employment, student satisfaction, graduate satisfaction, employer satisfaction and student loan default. Universities report graduation, employment and loan default rates. The results confirm the excellent labour outcomes that come from investing in higher education, but do not directly address the issue of quality.

In the absence of easily comparable information on quality from the institutions and government, students and parents look to the popular media ratings such as those published by *MACLEAN'S* and the *Globe and Mail*. These reports look at the size of the student body/classes, number of faculty, financial assistance, library resources and reputation.

Please note that because research is important to Canada's economic, social and cultural development, the federal government plays a significant funding role in supporting research – and therefore also attracting and supporting good faculty. Through the Canada research councils, Canada Foundation for Innovation, Canada Research Chairs and the Federal Indirect Costs Program, the federal government contributed approximately $750 million to Ontario's higher education institutions in 2002-03. The Canada Foundation for Innovation funds depend on the province for matching dollars, as well as a contribution from institutions.

WORLD VIEW

In the U.S., quality assurance is focused mainly at the institutional level through accreditation reviews by private, non-profit organizations. In the U.K., quality assurance is focused mainly at the program level through an agency with a mandate to review and audit academic standards to help to define clear and explicit standards. In Australia, the Australian Universities Quality Assurance Agency reviews and audits institutions at the program level. Italy, the Netherlands and New Zealand's higher education institutions have set up agencies for quality review. In some cases, the information gathered is for public use – in others it is not. For example, the U.K. and Australia produce public reports but the U.S. does not.

Various bodies have undertake statistical and reputational rankings of institutions to provide information to prospective students. For example: *U.S. News & World Report*, the *Australian Financial Review Boss* and the *Sunday Times* and the *Guardian* in the U.K. The Institute of Higher Education at Shanghai Jiao Tong University ranks the top 100 universities in the world. (Two Ontario universities are on the list.)

CHALLENGES

Focus on Students

Except for the student satisfaction survey at colleges and those universities that voluntarily participate in the American National Survey of Student Engagement, few measures examine and report on students' educational experience. While graduation and employment outcomes are indicators of a student's success and are relatively easy to measure, students attending university are also looking for opportunities to participate in an intellectual community, to gain exposure to new and innovative thinking, to meet international students here and when they study abroad. Ontario's quality measures should be able to articulate the breadth and depth of a good higher education.

Teaching

Quality in teaching is of great importance to a successful system – and there is considerable debate about how to measure and report on it. The number of graduate students is on the rise, but not quickly enough to meet Ontario's need. And more students mean more demand for faculty. Some estimates: universities will need 11,000 new faculty by the end of the decade in order to replace retiring faculty and to teach the increased number of undergraduate students. Colleges will need 7,000 new staff by 2006. When we need more faculty, the U.S. will too – increasing the competition for our best graduates.

Research

Sustaining high quality, internationally competitive research in a system as large as Ontario's is not easy. It is not possible to have high quality research in every department of every university. Ontario needs both advanced and applied research to develop and thrive. Research environments with the facilities, equipment, teams and intellectual stimulus of colleagues are necessary to support high quality research and excellence in graduate education. Measures of research quality must more fully reflect the impact of scholarship and graduate studies.

International Students

Another important aspect of a quality higher educational program is its level of globalization and internationalization. In broad terms, globalization refers to trends in higher education that have cross-national implications. This includes a global marketplace for students, faculty, and highly educated personnel. Internationalization refers to the specific policies and initiatives of countries and individual academic institutions or systems to deal with global trends. Examples of internationalization include policies relating to recruitment of international students, collaboration with academic institutions or systems in other countries, and the establishment of branch campuses abroad. Ontario students being accepted for study in other jurisdictions, and international students choosing to study in Ontario, represent an ongoing measure of quality programming and international competitiveness for Ontario's higher education system.

Demand for international education is forecasted to increase from 1.8 million international students in 2000 to 7.2 million international students in 2025. Ontario has the opportunity to develop a comprehensive strategy to increase its number of international students. Currently, there is a lack of international study opportunities for Ontario students and no province-wide marketing plan to recruit international students.

THINK ABOUT

How should we improve the quality of higher education?

Who Measures?

Historically, quality assurance in Ontario has largely been left to individual institutions. Internationally however, many jurisdictions have established quality assurance frameworks for higher education.

SYSTEM DESIGN

WHY SYSTEM DESIGN?

If increased access and improved quality are key goals for Ontario, then ensuring the province has the right higher education system in place is a critical part of the solution. Having two separate sectors – colleges and universities – each with distinctive mandates has served Ontario well, particularly as the system was expanding across the province. Today, however, the overall design of the system must address new challenges to ensure that specialization, coordination and collaboration within and between institutions can help improve student access and success.

STUDENT PERSPECTIVE:

I want the freedom to move between programs or institutions with recognition of my previous work so that I can obtain an education as unique as I hope my career will be.

WHERE ARE WE NOW?

Ontario has 24 Colleges of Applied Arts and Technology including two French-language colleges. Colleges were established as agencies of the province to provide education to meet labour market needs through practical, vocational study. Colleges offer postsecondary certificate, diploma programs, as well as adult education, skills training and apprenticeship programs. Recently a number of colleges have been approved to offer applied degrees in specialized program areas, such as financial services management, hospitality operations management, and automotive management. These new programs are intended to respond to the need for applied skills training at the degree level. Several colleges have been granted a specialized mandate with greater emphasis on applied degrees (up to 15% of total programming), research and specialization to meet the needs of their local communities' employers.

Ontario has 18 publicly assisted universities, plus the Ontario College of Art and Design. Each university is an independent, legally autonomous institution with the power to set its own academic and admissions policies, programs and staff appointments. In general, universities focus on teaching, research and community service, to shape graduates with critical thinking and research skills applicable to a wide range of employment and life experiences. Almost all universities offer a broad range of liberal arts and science programs. Most are also involved in graduate studies and research, some with only limited enrolment or activity in a few areas of specialization. Some universities also specialize in professional programs, for example, six universities offer law degrees and there are six medical schools.

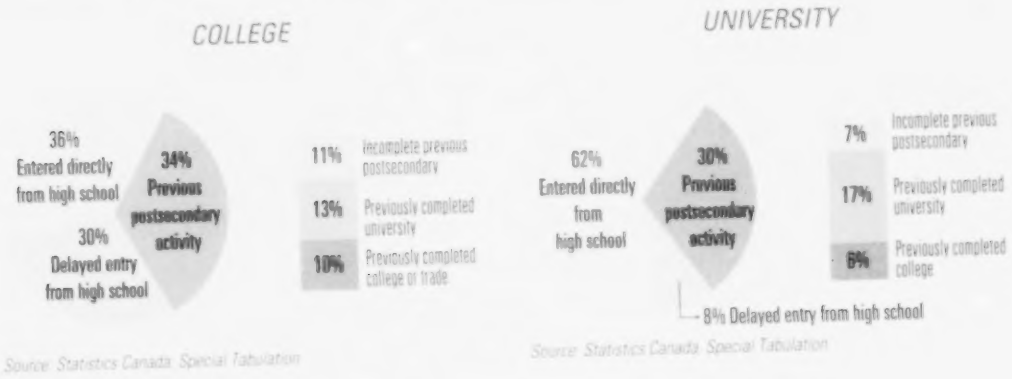
Colleges and universities vary considerably in terms of size, course offerings, and revenues. In size they run from about 1,300 students at the smallest college to over 50,000 at the largest university, with course offerings from apprenticeship training to doctorate degrees, and annual revenues from approximately $21 million to approximately $1.6 billion.

Entered directly from high school
Delayed entry from high school
Previous postsecondary activity
Previous postsecondary activity

Statistics Canada reports that about one-third of college and university undergraduate students who graduated in 2000 had previously completed or partially completed another higher education degree or diploma.

In 1996, the government in partnership with the colleges and universities, created the College University Consortium Council (CUCC). Major initiatives of the CUCC include the 1999 "Port Hope Accord" which outlined guiding principles for developing degree completion agreements; and the Ontario College-University Transfer Guide. There are now 221 agreements outlined in the guide.

Pathways to Higher Education: Ontario graduates of college and university (bachelor) programs, 2000



Source: Statistics Canada, Special Tabulation

Source: Statistics Canada, Special Tabulation

WORLD VIEW

The U.S. has seven main types of institutions, ranging from more specialized doctorate granting/research institutions to Tribal colleges. Increasingly, attention is being paid worldwide to how teaching universities (as opposed to more comprehensive doctorate/research universities) and junior colleges can increase access to degree programs in a cost-efficient manner. British Columbia converted one-third of its community colleges into university-colleges able to offer four-year bachelor degrees in an effort to improve access to individuals outside the large urban areas.

In Ireland, technological institutes and colleges offer courses that can also lead to university-level qualifications. In Sweden all courses are offered at the university level, but often provided by institutions with different roles and mandates. In England, many institutions of further education (colleges) offer degree-level programming on behalf of universities.

The U.K., Quebec and Alberta each have a single, open university to fill the gaps in regular programming through distance and internet learning, and other credit recognition strategies. About 25% of the students registered at Alberta's public open university, Athabasca University, are Ontarians.

Scotland and Ireland have credit and qualifications frameworks and standards to confirm how programs relate to one another and to support student transfer between institutions.

CHALLENGES

No system-wide plan

Ontario does not have a higher education plan in place to ensure that its public institutions can meet the growing expectations of students and employers, and operate as a coherent system. Universities and colleges as a system will need to ensure a full range of required programs are offered with greater specialization where appropriate; closer collaboration on curriculum renewal and research; freer student movement between institutions; as well as more part-time, co-operative study, and open learning options at both the undergraduate and graduate level.

College mandate renewal

Colleges, in particular, face a specific set of challenges, especially in northern and rural communities. They were established to provide education that focused on meeting labour market needs through practical vocational study within geographic areas. Employers and local communities expect colleges to offer a strong continuum of programs and credentials, from apprenticeship and skills training to applied degrees. At the same time, students and employers are looking for specialized programming in response to ongoing skill shortages and calls for higher and unique skill sets. Opportunities exist to address these apparent multiple mandates: to grow and better align skills training and apprenticeship programs with diploma and applied degree programs to meet emerging market demands, as well as to consider other options for delivering university-level programs in cooperation with universities.

Credit transfer

Existing agreements cover only a fraction of existing programs. Ontario needs to consider a coherent system of setting standards for credit recognition and student transferability between institutions, from the workforce or from abroad.

THINK ABOUT

How can we make sure that our institutions constitute a coherent, coordinated *system* to meet Ontario's goals for higher education?

FUNDING

WHY FUNDING?

STUDENT PERSPECTIVE:

I want to know what higher education is going to cost me, how I'm going to pay for it, and if my institution has enough money to provide me with a quality education.

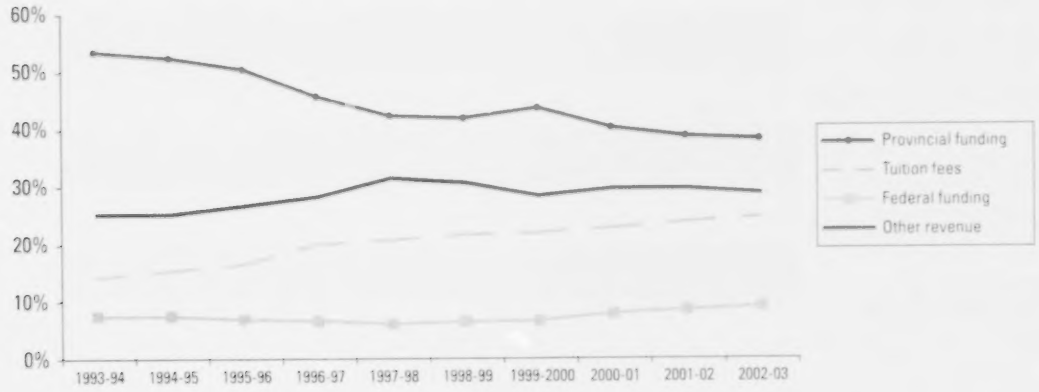
An Ontario postsecondary education system comparable to the best in the world, that includes access for more students at all levels (including graduate studies), with better quality and stronger accountability, will simply require higher sustainable revenues. Any discussion of revenue levels must consider four things at the same time: how much should it cost; who should pay; how should they pay; and how should the revenues be distributed?

WHERE ARE WE NOW?

System funding

In fiscal year 2003-04, total revenue for the Ontario higher education system (excluding borrowings) was around $8.9 billion. In real terms, system revenues have increased over the past decade, as has enrolment. Revenue growth has varied among institutions.

Figure: Higher education system revenue shares, by source, Ontario: 1993-94 to 2002-03



Source: MTCU, COFO-0 Revenue History

While total revenues have increased, it is important to note that where the money comes from has changed. Simply put, provincial grants are down, tuition is up. At the same time, institutions have found other alternative means of raising revenue. The share of federal funding has not changed significantly over this period. These trends are also apparent in other provinces.

Table 1(a): Public spending on higher education as a percentage of total public spending: 2001

Country comparisons	%
Canada	**4.6**
Australia	3.4
Ireland	3.7
Sweden	3.6
U.K.	2.0
U.S.	4.5
OECD (mean)	2.8

Source: OECD (2004). Education at a Glance, Table B4.1

Note: Spending on "post-secondary non-tertiary" education included only for Canada and the U.S.

Table 1(b): Public spending on higher education as a percentage of total public spending: 2002-03

Provincial/state comparisons	%
Ontario	**5.2**
Alberta	6.2
Quebec	6.8
U.S. states (average)	11.2

Source: US data from NASBO (2003). Provincial data from Ontario, Quebec and Alberta Ministries of Finance.

In Canada and the United States, almost 5% of total public spending is directed to higher education. This compares favourably to other OECD countries. However, at the regional level, Ontario lags behind other provinces and U.S. states when it comes to the proportion of public spending directed to higher education.

The federal government plays an important role in higher education funding, both indirectly through the Canada Social Transfer to the provincial government, and directly through research grants and various student assistance measures. The federal cash transfer for higher education and social programs has fallen by almost a third in real terms since 1994-95. Ottawa's research funding and grants to Ontario have grown to be worth around $750 million in 2002-03.

Ottawa also provides employment and skills training, student loans (around $650 million in 2002-03), and grants and tax credits. In addition, the Canada Millennium Scholarship Foundation provides about $107 million in bursaries to over 35,000 high-need Ontario students each year. After 2010 these Foundation funds will no longer be available.

Public higher education funding takes various forms and is allocated using a variety of funding mechanisms. The vast majority of provincial funding goes directly to institutions, much of it as operating grants. The remainder is provided directly to students in the form of bursaries and loans (needs-based), or in the form of income tax credits and exemptions (non-needs-based).

Provincial operating grants are allocated amongst universities and colleges using enrolment-based formulas. The formulas give higher weights to programs that cost more to deliver, and in the case of colleges, to institutions that are in remote areas, have multiple campuses, and operate on a smaller scale. However, in some cases, actual program delivery costs may be higher than those reflected in the program weights. University and college formulas differ, partly because universities are guaranteed a fixed share of available operating grants as long as their enrolment levels stay within

a specified range. As a result, they are not forced to compete with each other for their funding share, whereas colleges are.

A portion of provincial funding is also targeted to specific strategic government priority areas such as the needs of medical programs or northern institutions. A small percentage of provincial grants are allocated using performance-based measures.

Student funding

Ontario university tuition fees are high by Canadian standards, second only to Nova Scotia, but are broadly comparable to average tuition levels for public universities in Australia and lower than those at public U.S. universities. Average graduate student fees in Ontario are the highest in Canada. College fees are among the lowest in Canada.

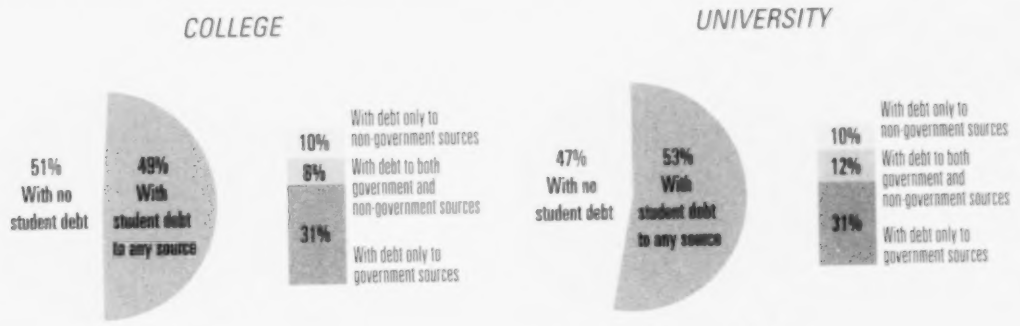
The Ontario Student Assistance Program (OSAP) provides needs-tested assistance for tuition and living costs to students through the Canada and Ontario Student Loan Programs and various other federal and provincial bursaries and grants. About $1 billion in combined federal and Ontario loans were issued in 2002/03. Assistance is provided to make up shortfalls between educational and living costs and the assumed contributions from students and parents. The largest cost to Ontario associated with financial assistance is for grants that limit total combined Canada and Ontario Student Loan debt to $7,000 per year.

Tax expenditures to assist Ontario students and parents with postsecondary education have been growing in recent years, with estimated annual costs to Canada of over $500 million and to Ontario of approximately $200 million. These include tuition and education tax credits, a tax credit on interest paid on student loans, and Registered Education Savings Plans tax incentives.

In recent years, Ontario institutions have been required to set aside 30% of the revenue from fee increases for student aid, thereby creating a significant capacity to help students in need of financial assistance. Institutions are required to top up OSAP student aid when they raise tuition in fee-deregulated programs. Some institutions have also created substantial endowment resources to support student access, with help from the Ontario Student Opportunity Trust Fund program. In total, institutions spend approximately $400 million per year on student aid.

Over the past five years, government student loan debt has gone up – by about 25% for four-year university students and about 6% for two-year college students. However, over the same period, the likelihood of students defaulting on their government loans has declined.

Student Debt by Level and Source: Ontario graduates of college and university (bachelor) programs, 2000



Source: Statistics Canada, Special Tabulation

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WORLD VIEW

Insofar as total public (government) and private (tuition, corporations, endowments) spending on higher education as a proportion of Gross Domestic Product is concerned, Canada at 2.5% was second only to the United States at 2.7% in the OECD in 2001.

The U.K., which introduced minimal tuition fees in 1998, will be increasing tuition fees to a maximum of £3,000 and introducing a go-now pay-later tuition system in 2006. In Australia, tuition is also deferred until students have completed their studies and their annual salary reaches average Australian income. Australian tuition is charged in three "bands" depending on the type of course (e.g. lowest fees for arts and science, highest for law and medicine.)

Students do not pay tuition in Sweden and public grants and loans are available for books and the cost of living. Loan repayment in Sweden, Australia, and the U.K. is based on income, and in the U.S. students have the option of income contingent repayment for their loans.

CHALLENGES

Sustainability

The funding framework must be capable of generating sufficient revenue to support increased participation, quality instruction, research and capital requirements. This framework must achieve a fair and reasonable balance between public and private funding sources. Heavy reliance on public funding makes higher education vulnerable to funding downturns stemming from political changes and competing fiscal needs, such as health care.

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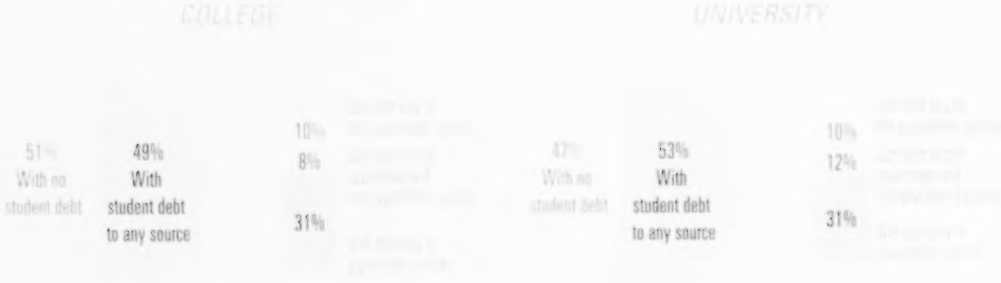

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Creating incentives

Current funding formulas are complicated and provide little or no incentive for institutions to improve quality or to be responsive to emerging labour market needs. The effectiveness of existing initiatives designed to link institutional funding to performance is mitigated by the small amounts of funding involved, and by the ongoing lack of clarity about what quality is, and how to measure and achieve it. Too little consideration has been given to alternative funding mechanisms, especially those that create incentives by tying funding more directly to results.

Targeting of public funding to need

Public higher education funding should be targeted to students from low and middle-income families who need the help to attend. At present, however, major public expenditures on higher education are not being targeted on the basis of need. Most provincial spending on higher education is in the form of operating grants to institutions that tend to benefit individuals from higher-income families the most, since they are more likely to attend. Moreover, assistance to students and their families could be much more targeted. Currently, large tax expenditures for postsecondary costs, such as the Education Tax Credit, are not based on need. Most debt management assistance through OSAP is through a grant that limits debt to a flat annual level and is not linked to whether borrowers actually experience difficulty in repayment. National data shows 30% of college and 24% of university graduates report difficulty in repaying their loans.

Adequacy of public student assistance

OSAP assistance amounts have fallen behind. Weekly loan maximums for the Ontario and Canada Student Loan Programs have not been adjusted since 1993, whereas tuition fees have grown rapidly. About one third of OSAP recipients have financial need above current loan limits. Almost one in five students borrow from other non-government sources to make ends meet. While additional institutional aid may be offsetting some of this unmet need, it is difficult to confirm the extent to which this is happening, and institutional aid is heavily concentrated in a handful of large institutions.

THINK ABOUT

How do we pay for higher education to ensure opportunity and excellence?

Coordinated and understandable student assistance system

Currently, student assistance is provided by the Federal Government, the Province, and institutions. As a result of the many players involved, the complex OSAP needs assessment and the lack of coordination between government and institutional aid, many students and parents find student assistance confusing.

ACCOUNTABILITY

WHY ACCOUNTABILITY?

There is a growing awareness of the fundamental role that postsecondary institutions play in the economic, social, and cultural development of Ontario. This, combined with increased costs has led to a renewed focus on results, accountability and governance.

STUDENT PERSPECTIVE:

I'm going to spend a lot of money on my education, so I want to know that my institution is spending those dollars wisely to provide me with a better education.

WHERE ARE WE NOW?

Accountability includes the institutions' responsibility to students and government as well as government's responsibility to institutions and the public.

Currently in Ontario, there are a number of structures and mechanisms intended to promote good governance and accountability. Government, through the Ministry of Training, Colleges and Universities develops policy and program standards for Ontario colleges and universities, provides Ontario colleges and universities with funding for approved programs, and delivers student assistance programs.

All of Ontario's universities have a Board of Governors, or similar bodies, responsible for governance and management, and a Senate, or similar bodies, responsible for academic matters. Colleges also have Boards of Governors, responsible for governance and management. College Boards also have responsibility for the approval and delivery of programs. Both colleges and universities use accountability mechanisms to report on their activities, for example, financial reporting, reporting related to special purpose grants and research funding, enrolment target agreements, and Key Performance Indicators, such as graduation and graduate employment rates. All colleges must also submit a strategic plan, a business plan and an annual report.

At various times since the late 1980s, the Provincial Auditor has raised concerns regarding public accountability of broader public sector institutions including universities and colleges. Although improvements have been made, in 2001, the Provincial Auditor observed that funding for universities was not linked to specific government objectives for higher education. More recently students, who are now expected to contribute more to the cost of their higher education, have expressed the need for greater accountability on the quality of programming and the value of their investment.

The government, responding to public demands for more information on our postsecondary system and concerns from the Provincial Auditor on linking funding to provincial objectives, is focused on results and has made the accountability of Ontario broader public sector institutions a priority. This means more concerted efforts to plan systematically and fund against results, as well as measure, report and address gaps in performance.

WORLD VIEW

Like many higher education governing bodies in the U.S., the New York Board of Regents and the California Postsecondary Education Commission develop state-wide plans for the operation of the postsecondary system. The National Agency for Higher Education in Sweden conducts quality audits of higher education, exercises supervision of the higher education institutions, reviews and analyses the higher education system. The key role of the Tertiary Education Commission in New Zealand is to oversee implementation of the Tertiary Education Strategy and its associated set of priorities. The U.K. has established a number of arm's length bodies, including funding councils and a quality assurance agency, to look at different aspects of their system.

CHALLENGES

Relevant Reporting

Ontario needs to establish an accountability framework that avoids measurement for measurement's sake, is relevant to the goals of the system and is developed with institutions to find the right measures. To be useful, the goals of any accountability framework must be fully understood and agreed to by all participants. Ontario is not yet at this stage.

THINK ABOUT

Do we have the right structures in place to know our system is achieving the results we want?

Overall coordination

We have a good start. Boards of Governors (and Senates) are important elements of good governance and accountability at the institutional level. However, Ontario is missing the overall coordination and oversight needed to ensure that provincial goals are met now and in the future. Many jurisdictions, recognizing a similar need, have established arm's length agencies with responsibilities in this area.

Literature Review

For a complete list of sources, please see the website at **http://www.raereview.on.ca/en/resource/**

ACCESSIBILITY

For enrolment in higher education in the industrialized world, see OECD, *Education at a Glance* (2004). For statistical information on Canada and Ontario, see Statistics Canada & Council of Ministers of Education Canada, *Education Indicators in Canada: Report of the Pan-Canadian Education Indicators Program* (2003). Factors affecting postsecondary participation in Canada are discussed in Dianne Looker, *Why Don't They Go On?* (2001); R. A. Malatest, *Aboriginal Peoples and Post-secondary Education* (2002); and Marc Frenette, *Access to College and University: Does Distance Matter?* (2004). Information about barriers faced by students with disabilities and strategies to eliminate them is contained in Ontario Human Rights Commission, *The Opportunity to Succeed* (2003). Ontario's graduate degree production is discussed in Task Force on Competitiveness, Productivity and Economic Progress, *Closing the Prosperity Gap* (2002).

QUALITY

For more information about how to measure and improve quality in Ontario, see David C. Smith *"How will I know if there is quality?" Report on Quality Indicators and Quality Enhancement in Universities* (2000), and Roger Brown, *Quality Assurance in Higher Education: The UK Experience Since 1992* (2004). For more information on international quality assurance, see Council for Higher Education Accreditation, *The Fundamentals of Accreditation* (2002); Quality Assurance Agency for Higher Education, *A Brief Guide to Quality Assurance in UK Higher Education* (2003); and Australia, Department of Education, Training and Youth Affairs, *The Australian Higher Education Quality Assurance Framework* (2000).

SYSTEM DESIGN

More information on the higher education systems and challenges facing these systems can be found in Michael L. Skolnik, *Does Structure Matter* (2004); OECD, *On the Edge: Securing a Sustainable Future for Higher Education* (2004); and Australia, Department of Education, Science and Training, *Varieties of Excellence: Diversity, Specialisation and Regional Engagement* (2002). Examples of international initiatives can be found in Australia, Department of Education, Science and Training, *Higher Education at the Crossroad* (2002); and New Zealand Tertiary Education Commission, *The Distinctive Contributions of Tertiary Education Organisations* (2004). Please see the College-University Consortium Council page for additional information about the Port Hope Accord and to access the Ontario College-University Transfer Guide, http://www.cou.on.ca/cucc/Welcome.html

FUNDING

For an overview of the importance of higher education in the modern economy, see David Laidler (Ed.), *Renovating the Ivory Tower* (2002). Summaries of the empirical estimates of the returns to higher education in Canada are found in W. Craig Riddell, *The Role of Government in Post-Secondary Education in Ontario* (2003); and Herb Emery, *Returns to Post-Secondary Education in Canada* (2004). For a description and evaluation of various institutional funding mechanisms, see John Folger & Dennis P. Jones, *Using Fiscal Policy to Achieve State Education Goals* (1993). For a discussion of the changing roles played by Ottawa and the Provinces in higher education, see David M. Cameron, *Collaborative Federalism and Post-Secondary Education* (2004). For a review of the Canadian student financial aid system see Ross Finnie et al., *Meeting the Need* (2004); and Sean Junor & Alex Usher, *The Price of Knowledge* (2002). For an international perspective on student aid, see Bruce Johnstone, *Student Loans in an International Perspective* (2001), and Nicholas Barr, *Higher Education Funding* (2004).

ACCOUNTABILITY

For a more comprehensive discussion on accountability and governance in the higher education system, please see Australia, Department of Education, Science and Training, *Meeting the Challenges: The Governance and Management of Universities*, (2002); John Martin, *Changing Accountability Relations*, (1997), and The National Center for Public Policy and Higher Education, *Higher Education Governance* (1998). Examples of international initiatives can be found in State Higher Education Officers, *National Commission on Accountability in Higher Education: Overview* (2004); Aims C. McGuinness, *Models of Postsecondary Education Coordination and Governance in the State* (2003), and from Eurybase (database), http://www.eurydice.org.

RESPONSE

Questions, Considerations, Possibilities

We have posed five key questions that must be addressed if we are to realize our vision of a higher education system that is the best in Canada, that is as good as the best in the world and that allows students and institutions to do their best.

What follows are a number of possible approaches to improving the way higher education works in each of these areas. They are not mutually exclusive, nor do we think that we have covered all the options. That's where you come in.

We welcome your responses to the possible approaches we have provided. In each case we provide the following alternatives:

- ❑ Would address an important gap and should be pursued
- ❑ May be valuable and should be explored further
- ❑ Is not necessary or practical for Ontario
- ❑ No opinion

We also welcome suggestions of new approaches or combined approaches in any or all of the five sections. The format here mirrors the Workbook (Working Through the Possibilities) that will be available at all consultation sessions and which can also be completed online. The full Discussion Paper and the Workbook can be downloaded from the website. For more information on ways to have your views heard, please see p. 42.

Note: Any personal information you submit will be used by the Advisor, members of the Advisory Panel and staff of the Postsecondary Review Secretariat to carry out the Postsecondary Review and to provide the Government of Ontario with a report and recommendations on the design and funding of postsecondary education in Ontario (the "Review"). You may be contacted for further information about your submission. Any personal information you submit as an inquiry will be used to respond to your inquiry. Your personal information may also be used for research and statistical purposes. Your personal information will not be released to any third party, except as may be authorized by law. Your name will not be placed on any other mailing lists. Upon completion of the Advisor's report, all records will be transferred to the Ministry of Training, Colleges and Universities.

All of the personal information collected is necessary to the proper administration of the Review and is collected in accordance with s. 38(2) of the *Freedom of Information and Protection of Privacy Act*. For further information on the use of your personal information, please contact the Project Coordinator, Postsecondary Review Secretariat, 2 Bloor Street West, Suite 700, Toronto, Ontario M4W 3R1 (416) 972-5062.

How can we increase participation and success in higher education?

Keep in Mind

- Today 42% of 20-24 year olds in Ontario are enrolled in higher education. While enrolment is important, completion is key for individuals to realize the benefits associated with postsecondary education. Student success varies widely among programs and institutions.
- Other countries have set targets for increasing higher education. In England, the government wants 50% of its young people to have a university education by 2010. In Sweden, the government wants 50% of people to enter a higher education institution before they reach 25.
- Francophones, Aboriginal peoples, persons with disabilities, low income, single parents, and northern Ontarians are underrepresented in higher education. Our immigrant population faces particular challenges with respect to language and other issues in being successful in higher education. Barriers to access and success vary among these groups and there is no one-size-fits-all solution. These issues persist even though governments and institutions have attempted to address them through various programs and targeted funding. Effective strategies must address financial, cultural, geographic and academic barriers.
- Large numbers of students participate in part-time studies, particularly in the college system. Part-time students, who are often working and have family responsibilities, have specific needs with respect to flexible formats and customized supports that aren't easily accommodated by institutions.
- The labour market and society require a wide range of skilled professionals, obtained through apprenticeship, college and university education. Long-standing and persistent skills shortages suggest that people are not getting, and acting on, good information on where the jobs are, what they pay, how to obtain the necessary higher education programs and their quality.
- Evidence suggests that many students do not pursue higher education because they can't decide what to do or do not fully understand the potential benefits. Students have identified the need for more timely and relevant information about careers, financial aid and support services.
- Having reliable information available to students and adult learners about the labour market and higher education depends on credible and up-to-date sources, and a method of centralized collection and distribution that is easy to access and user-friendly. This does not exist in Ontario today.

Possible Approaches to Improving Access and Success

A. **Good information for good choices:** Put in place an information clearinghouse – through government or a third-party – to make sure individuals have comprehensive information available to them on:

- Where the jobs are and what preparation and qualifications are required to fill them.
- Where the right programs are being offered and their quality.
- How much they cost and how it can be financed – what it takes in terms of money and effort.
- For the internationally-trained, how to have their training and experience recognized.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

B. **Helping high school students make more informed decisions:** Earlier and more intensive career guidance and counselling that:

- Provides better information about the full range of choices available and the right high school course requirements/choices.
- Supports more exposure to the workplace (e.g. pathways to apprenticeship and co-op placements).

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

C. **Focus on retention:** Encourage institutions to pay more attention to the supports that students need to succeed, especially for underrepresented groups. This could include:

- More flexible part-time and distance learning options.
- Strengthening counselling supports.
- Stronger credit equivalency and transfer recognition.
- Higher level of language training and supports.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

D. **Other possible approaches**

Please send us your views. See **Get Involved**, p. 42.

How should we improve the quality of higher education?

Keep in Mind

- Currently in Ontario there is no common system-wide understanding of what quality means in higher education and how it should be measured. The only measures available to the public that are common to colleges and universities are graduation rates and graduate employment rates, which some argue are not measures of quality.
- Many other jurisdictions measure quality and make strong efforts to drive improvement. For example, the U.S. uses the National Survey of Student Engagement to evaluate the student experience, and the U.K. uses the Research Assessment Evaluation to construct quality indicators to guide the allocation of research funds by department or subject area.
- For students, quality can means things like: the level of academic challenge, active and collaborative learning, student-faculty interaction, enriching educational experiences, a supportive campus environment, and a valued credential.
- Quality also depends on excellence in teaching instruction. Many Ontario institutions have projects and initiatives for improving teaching. There is, however, no systematic province-wide approach to teaching faculty how to teach.
- Another way of thinking about quality is in terms of the scope and calibre of research activity and graduate education. Studies indicate Ontario's volume of graduate students is low – well behind the U.S. This has implications for the supply of future professors. If less research is done, there will also be an impact on the economic development of the province.
- Ontario students being accepted to study abroad and international students studying in Ontario enrich the higher education learning environment for everyone. Currently, Ontario does not have a system-wide approach to this issue.

Possible Approaches to Improving Quality

A. **Focus on the student experience:** Develop a common system-wide approach – for all institutions and in conjunction with students – for assessing and publicly reporting on student satisfaction and actions that improve the student experience.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

B. **Focus on teaching excellence:** Create a Centre of Higher Education Teaching Excellence that could:

- Develop best practices for teaching, for both applied and academic subjects, and including use of new technology.
- Offer training and/or resource material, preparation and ongoing support for the teaching role.
- Assess and report on the state of teaching practice in Ontario.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

C. **Focused approach to research and graduate education:** Use a more strategic/focused approach to expand and fund research and graduate studies only at institutions that can offer a high level of academic supervision, research opportunities and financial support.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

D. **Measure our performance and compare ourselves to the best in the world:** Develop a system-wide quality assurance process as the basis of institutional improvement. This would involve both core measures common to all institutions as well as mission-specific measures, and regular public reporting of results. Meaningful measures could include student satisfaction, teaching excellence, and research performance.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

E. **Internationalize the experience:** Pursue more strategically and systematically increased enrolments from international students. Ensure that all institutions actively promote and have the necessary arrangements in place so that students who wish to can gain international experience by taking part of their program in another country.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

F. **Other possible approaches**

Please send us your views. See **Get Involved**, p. 42.

How can we make sure that our institutions constitute a coherent, coordinated *system* to meet Ontario's goals for higher education?

Keep in Mind

- Most universities in Ontario offer a similar range of programs. Colleges across the province, too, offer a like range of programs. To date, our institutions have not been actively encouraged to maximize the academic and economic benefits that may come from a higher degree of specialization and collaboration at the institutional level.
- Recently, some colleges have been allowed to grant applied degrees and become Institutes of Technology and Advanced Learning.
- Institutions serving the north and rural areas are under pressure to maintain a broader range of programs to serve their local populations.
- Jurisdictions with many specialized institutions recognize the need for planning bodies to ensure system-wide coordination.
- Some jurisdictions (e.g. Alberta and Australia) have developed open learning institutions that offer all or most of their programs through the internet to fill a market need and address gaps in their higher education system.
- Local employers/industry rely on colleges to provide programs that help prevent skills shortages. All college programs are expected to have industry-based program advisory committees.
- In addition to apprenticeship training offered in colleges, other organizations also provide valuable apprenticeship training.
- In 2000, approximately 13% of the college graduating class had previously completed a university program and 6% of the university graduating class had previously completed a college program. For most of these students as well as adult learners and the internationally trained, there is no guarantee that they will receive appropriate recognition for relevant learning, making the completion of a program more time-consuming and costly for both students and government.

Possible Approaches to Improving System Design

A. **Encourage specialization and collaboration:** Develop a plan for higher education in Ontario that encourages institutions to develop more specialized and distinctive missions as long as – when taken as a whole – the institutions continue to meet the full needs of individuals and the economy, from skilled professionals to tradespeople. This could include expanding the number of specialized joint or transfer college-university programs and allowing selected colleges to deliver the first two years of some university programs, like junior colleges do in other jurisdictions; and creating institutions dedicated to serving underrepresented groups.

- ❑ Would address an important gap and should be pursued
- ❑ May be valuable and should be explored further
- ❑ Is not necessary or practical for Ontario
- ❑ No opinion

B. **Clarify college role in skills training:** Ensure that as colleges evolve in advanced learning, they continue to provide programs and credentials in skills and apprenticeship training that directly serve labour market and student needs. This could include new strategies for developing apprenticeships and ensuring their transferability to college diploma programs, as well as new approaches to the administration of apprenticeship programming.

- ❑ Would address an important gap and should be pursued
- ❑ May be valuable and should be explored further
- ❑ Is not necessary or practical for Ontario
- ❑ No opinion

C. **Recognize learning and qualifications:** Establish a body that would support guaranteed recognition of achievement earned in institutions or the workforce, facilitating transferability into and out of institutions by: setting out standard levels of achievement for courses and programs; and evaluating and giving credit on a consistent basis for learning previously achieved, including international training. For example, Ireland's National Qualifications Authority sets out standardized levels of achievement for courses and programs, allowing for easy movement between institutions and the workforce. Internationally-trained students too, could use the system for recognition of their education achievements.

- ❑ Would address an important gap and should be pursued
- ❑ May be valuable and should be explored further
- ❑ Is not necessary or practical for Ontario
- ❑ No opinion

D. **Other possible approaches**

Please send us your views. See **Get Involved**, p. 42.

How do we pay for higher education to ensure opportunity and excellence?

Keep in Mind

- Enrolment growth, improved quality, more graduate studies and sustained research excellence mean the system will require more operating revenue than is currently available. As well, the physical deterioration of the infrastructure of colleges and universities must be addressed. This comes at a time when there are other significant pressures on the public purse, like health care.
- Many families experience difficulty paying for their children's education because they may not have savings, or they may be unable or unwilling to contribute. In some countries like Australia and soon in the U.K., students have the option of deferring payment of tuition fees until they are earning a good income. Other countries give broader access to loans at competitive rates for middle-income families.
- The benefits of higher education accrue to individuals after they have graduated, largely in the form of higher earnings. In Australia, the U.S. and the U.K., students can repay student loans based on their ability to pay, rather than Ontario's standard loan payback approach.
- In Ontario today the vast majority of public funds for higher education is provided directly to the institutions – mostly based on enrolment. The remainder is provided to students through grants, loans and tax breaks to cover tuition and living costs. While there are a number of student assistance measures in place today, on a cash basis, the dollar amount spent by the province for student financial assistance in 2003/04 is about the same as in 1992/93.
- Living costs are a large part of the cost of higher education and can account for more than half of student debt. In Ontario, like the rest of North America, student assistance for tuition and living costs is combined. In Australia and the U.K. assistance for tuition costs and for living costs is treated separately.
- A number of measures currently in place – particularly on the tax side – disproportionately benefit students from higher income families. A good example is tuition deductability for federal and provincial income tax calculations.
- The federal government plays an important role in higher education and is contributing through the tax system, as well as funding research, transfers to provinces, student financial assistance and funding for training the unemployed. However, this funding has not been constant and is insufficiently coordinated with funding from the provincial government. A better deal on higher education is a joint responsibility.

Possible Approaches to Paying for Higher Education

A. **More progressive student assistance:** Make sure all student assistance, whether grants, loans or tax breaks, is aimed at all students facing financial barriers to higher education. This could include changing certain tax measures that primarily benefit higher-income families, and providing some form of loan assistance to middle-income families.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

B. **Give students the money:** Redirect additional public funding from institutions to students and their families in order to make the institutions more responsive to student needs.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

C. **Go now, pay later:** Students would not be required to pay tuition until after graduation. Student loans would be available to students from lower-income families to help with living costs while in school. Tuition fees may be discounted or subsidized for needy students and repaid based on an affordable share of the student's income.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

D. **Flexibility on tuition fees:** Allow colleges and universities to set tuition to reflect the costs of delivery or market demand, as long as measures are in place so that higher education remains affordable for all. This could include a scenario where institutions who choose to set higher tuition also assume full responsibility for student loans and bursaries/scholarships related to tuition. Government would continue to be responsible for student assistance related to living costs.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

E. **Pay for delivery of key results:** Provide predictable, multi-year government funding to institutions to support the delivery of key results (for example, meeting access and quality targets or meeting graduation targets for teaching and health care professionals). The purpose and use of the funding would be transparent to all.

❑ Would address an important gap and should be pursued ❑ May be valuable and should be explored further

❑ Is not necessary or practical for Ontario ❑ No opinion

F. **Other possible approaches**

Please send us your views. See **Get Involved**, p. 42.

Do we have the right structures in place to know our system is achieving the results we want?

Keep in Mind

- The Ontario government, responding to public demands for more information on our higher education system and concerns from the Provincial Auditor about linking funding to provincial objectives, is focusing on results and has made accountability of Ontario's broader public sector institutions a priority.
- This means more concerted efforts to plan systematically and fund against results, as well as measure, report and address gaps in performance.
- Ontario needs to define what a made-in-Ontario accountability framework for higher education would look like, including the roles and responsibilities of all participants. Autonomy and efficiency are also important values. Overactive intrusiveness needs to be avoided.
- No matter what the roles are, ultimately the public holds government responsible for setting the goals, and for the funding and performance of the system.
- Many jurisdictions have established arm's length agencies to improve the overall functioning of their higher education systems. In many parts of the U.S., system-wide agencies undertake long-term strategic planning of the higher education system. In the U.K., funding councils distribute public money for teaching and research to universities and colleges.

Possible Approaches to Improving Accountability

A. **Coordinated by government:** Government works with institutions directly to design and implement a framework to promote accountability through coordination and system development.

- ❑ Would address an important gap and should be pursued
- ❑ May be valuable and should be explored further
- ❑ Is not necessary or practical for Ontario
- ❑ No opinion

B. **An independent body, or bodies, with responsibility for planning, monitoring and advising government:** A central advisory and monitoring body would work with all the institutions to design and implement an accountability framework. It could look at the system as a whole, and provide advice and recommendations to government and institutions on system design, performance and accessibility, develop and disseminate best practices related to broad issues such as quality and financial health of the higher education system, and report to the public on progress.

- ❑ Would address an important gap and should be pursued
- ❑ May be valuable and should be explored further
- ❑ Is not necessary or practical for Ontario
- ❑ No opinion

C. **An independent body, or bodies, with additional responsibility for operational matters:** A body would have responsibilities outlined in (B) above with additional responsibilities for operational matters like allocating funding to individual institutions.

- ❑ Would address an important gap and should be pursued
- ❑ May be valuable and should be explored further
- ❑ Is not necessary or practical for Ontario
- ❑ No opinion

D. **Other possible approaches**

Please send us your views. See **Get Involved**, p. 42.

GET INVOLVED

Bob Rae and the Advisory Panel want to hear from you. There are many ways to have your views on higher education heard.

PUBLIC TOWN HALL MEETINGS

- Bob Rae is traveling to more than a dozen campuses and communities throughout the province to engage people in a discussion of higher expectations for higher education.
- The schedule of public town hall meetings and instructions on how to participate are posted on the Review's website, **www.raereview.on.ca**, and will also be advertised in local media.

ONLINE

- From October 1st you can go to the Postsecondary Review website at **www.raereview.on.ca** to read/download the Discussion Paper, make a submission, and/or complete the Workbook online.
- You can also send your comments via e-mail to **info@raereview.on.ca**.

MAIL/FAX

- Completed Workbooks can be faxed back to (416) 323-6895 or mailed to Postsecondary Review Secretariat, 2 Bloor Street West, Suite 700, Toronto, ON, M4W 3R1.

Interested individuals have until December 10, 2004 to complete the workbook online or on paper. The workbook will also be used as the basis of the consultations scheduled in October, November and early December. It would be appreciated if substantial written submissions to the Postsecondary Review are provided to the Secretariat by **November 15, 2004**.

To request additional print copies of this document or of the Workbook for your written response (in either English or French), please call toll-free 1 800 668 9938. Copies are also available at Government Information Centres and at all consultation venues throughout the province.

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